

AMENDED IN ASSEMBLY OCTOBER 7, 2010

SENATE BILL

No. 848

**Introduced by ~~Committee on Budget and Fiscal Review~~ Senator
Hollingsworth**

January 11, 2010

~~An act relating to the Budget Act of 2010. An act to add Sections 7282.5 and 7283.7 to the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 848, as amended, ~~Committee on Budget and Fiscal Review~~ Hollingsworth. ~~Budget Act of 2010. Transient occupancy taxes.~~

Existing law authorizes the legislative body of a city or county to impose an excise tax for the privilege of occupying a room or other living space in a hotel, inn, tourist home or house, motel, or other lodging, as provided.

This bill would provide that the tax imposed shall apply solely to rent received by the operator of a lodging establishment for transient accommodations and the rent received by the operator from a travel agent or intermediary subject to the tax shall be the wholesale rate contracted for the room for that date, as specified. The bill would provide that no tax shall be imposed on any amount charged or retained by a travel agent or intermediary for travel booking services. The bill would also specify that a property owner or authorized agent shall not be liable for transient occupancy taxes imposed if that tax is not collected, as specified.

The bill would make a finding that this language is declaratory of existing law.

This bill would declare that it is to take effect immediately as an urgency statute.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2010.~~

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 7282.5 is added to the Revenue and*
2 *Taxation Code, to read:*

3 7282.5. (a) *The tax imposed pursuant to Section 7280 shall*
4 *apply solely to rent received by the operator of a lodging*
5 *establishment for transient accommodations. The rent received by*
6 *the operator from a travel agent or intermediary subject to the tax*
7 *shall be the wholesale rate contracted for the room for that date*
8 *by the operator and the travel agent or intermediary. Under no*
9 *circumstances shall a travel agent or intermediary be deemed an*
10 *operator of a lodging establishment. Notwithstanding any other*
11 *law, no tax shall be imposed directly or indirectly pursuant to*
12 *Section 7280, on any amounts charged or retained by a travel*
13 *agent or intermediary for providing travel booking service, whether*
14 *or not such amounts are separately stated. All amounts of tax*
15 *charged and collected by a travel agent or intermediary shall be*
16 *remitted to the city, including a charter city, county, or city and*
17 *county imposing the tax.*

18 (b) *This section shall apply to all cities, including charter cities,*
19 *counties, or cities and counties.*

20 SEC. 2. *Section 7283.7 is added to the Revenue and Taxation*
21 *Code, to read:*

22 7283.7. *A property owner or authorized agent shall not be*
23 *liable for the taxes imposed pursuant to Section 7280 if that tax*
24 *is not collected, and is not required to be collected, by the property*
25 *owner or authorized agent.*

26 SEC. 3. *The Legislature finds and declares the addition of*
27 *Sections 7282.5 and 7283.7 to the Revenue and Taxation Code by*
28 *this act does not constitute a change in, but is declaratory of,*
29 *existing law.*

30 SEC. 4. *This act is an urgency statute necessary for the*
31 *immediate preservation of the public peace, health, or safety within*

1 *the meaning of Article IV of the Constitution and shall go into*
2 *immediate effect. The facts constituting the necessity are:*

3 *In order to clarify existing law and provide necessary guidance*
4 *to local governments at the earliest possible time, it is necessary*
5 *that this act go into immediate effect.*

6 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
7 ~~changes relating to the Budget Act of 2010.~~

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